

Impact Factor: 3.4

5-Year Impact Factor:

Contents

Abstract

It is widely believed that... indicate that more inde... This carries the implica... extends those analyses

both the output and the unemployment costs of disinflation. Because central banks control only monetary policy, they should not exert a differential effect on the two ratios, and there should be a positive relationship between independence and both the unemployment and the output costs of disinflations. Second, by including a range of potentially significant political and institutional controls, the author demonstrates both the importance of political and institutional determinants of the costs of disinflation and that CBI is a robust predictor of those costs.

By clicking "Accept Non-Essential Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. [Privacy Policy](#) [Cookie Policy](#)

[Manage Cookies](#)[Accept Non-Essential Cookies](#)[Reject Non-Essential Cookies](#)

Get full access to this article

View all access and purchase options for this article.

[Get Access](#) 

References

Alesina, A. (1987). Macroeconomic policy in a two-party system as a repeated game. *Quarterly Journal of Economics*, 102, 651-678.

[Crossref](#)[Web of Science](#)

[Google Scholar](#)

Alesina, A. (1988). Macroeconomics and politics. In NBER Macroeconomic Annual 1988 (pp. 11-55). Cambridge, MA: MIT Press.

[Google Scholar](#)

Alesina, A. (1989). Inflation, unemployment and politics in industrial democracies. *Economic Policy*, 8, 55-98.

[Web of Science](#)

[Google Scholar](#)

Alesina, A., & Summers, L. (1993). Central bank independence and macroeconomic performance: Some comparative evidence. *Journal of Money, Credit and Banking*, 25(2), 151-162.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Alesina, A., & Roubini, N. (with Cohen, G. D.). (1997). Political cycles and the macroeconomy. Cambridge, MA: MIT Press.

[Crossref](#)

[Google Scholar](#)

Andersen, P. S. (1992). OECD country experiences with disinflation. In A. Blundell-Wignell (Ed.), *Inflation, disinflation and monetary policy* (pp. 104-180). Sydney: Reserve Bank of Australia, Ambassador Press.

[Google Scholar](#)

Andersen, P. S., & Wascher, W. L. (1999). Sacrifice ratios and the conduct of monetary policy in conditions of low inflation (BIS Working Papers No. 82). Basel, Switzerland: Bank for International Settlements.

[Google Scholar](#)

Ball, L. (1994). What determines the sacrifice ratio? In N. G. Mankiw (Ed.), *Monetary policy*. Chicago: University of Chicago Press.

[Google Scholar](#)

Ball, L., Mankiw, N. G., & Romer, D. (1988). The new Keynesian economics and the output-inflation trade-off. *Brookings Papers on Economic Activity*, 1, 1-65.

[Google Scholar](#)

Benabou, R. (1991). "Comment" on "The welfare cost of moderate inflations." *Journal of Money, Credit, and Banking*, 23, 504-513.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Cameron, David. (1984). Social democracy, corporatism, labour quiescence, and the representation of economic interests in advanced capitalist societies. In J. Goldthorpe (Ed.), *Order and conflict in contemporary capitalism* (pp. 143-178). New York: Oxford University Press.

[Google Scholar](#)

Clark, William Roberts, & Reichert, Usha Nair (with Lomas, Sandra Lynn, & Parker, Kevin L.). (1998). International and domestic constraints on political business cycles in OECD economies. *International Organization*, 52(1), 87-120.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Cooley, T. F., & Hansen, D. (1989). The inflation tax in a real business cycle model. *American Economic Review*, 79, 733-748.

[Web of Science](#)

[Google Scholar](#)

Cooley, T. F., & Hansen, D. (1991). The welfare costs of moderate inflations. *Journal of Money, Credit, and Banking*, 23, 483-503.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Cukierman, Alex, Webb, Steven B., & Neyapti, Bilin. (1994). *Measuring central bank independence and its effect on policy outcomes*. San Francisco: ICS.

[Google Scholar](#)

DeBelle, Guy, & Fischer, Stanley. (1994). How independent should a central bank be? In Jeffrey C. Fuhrer (Ed.), *Goals, guidelines, and constraints facing monetary policymakers* (pp. 195-221). Boston: Federal Reserve Bank of Boston.

[Google Scholar](#)

Eijffinger, Sylvester C. W., & de Haan, Jakob. (1996). *The political economy of central-bank independence* (Special Papers in International Economics, No. 19). Princeton, NJ: Princeton University, Department of Economics.

[Google Scholar](#)

Fischer, Stanley. (1986). *Indexing, inflation, and economic policy*. Cambridge, MA: MIT Press.

[Google Scholar](#)

Franzese, Robert. (1998, April). Two hands on the wheel: Independent central banks, politically responsive governments, and inflation. Paper presented at the annual meeting of the Midwest Political Science Association, Chicago.

[Crossref](#)

[Google Scholar](#)

Friedman, Benjamin. (1994). Comment: What determines the sacrifice ratio? In N. G. Mankiw (Ed.), *Monetary policy* (pp. 182-188). Chicago: University of Chicago Press.

[Google Scholar](#)

Garrett, Geoffrey. (1997). *Partisan politics in the global economy*. New York: Cambridge University Press.

[Google Scholar](#)

Garrett, Geoffrey, & Lange, Peter. (1989). Government partisanship and economic performance: When and how does "who governs" matter? *Journal of Politics*, 51(3), 676-693.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Golden, Miriam, Wallerstein, Michael, & Lange, Peter. (1998). *Union centralization among advanced industrial countries*. Los Angeles and Durham, NC: University of California, Los Angeles, and Duke University.

[Google Scholar](#)

Grilli, Vittorio, Masciandaro, Donato, & Tabellini, Guido. (1991). Political and monetary institutions and public finance policies in the industrial countries. *Economic Policy*, 13, 341-392.

[Google Scholar](#)

Grubb, Dennis, Jackman, Richard, & Layard, Richard. (1983). Wage rigidity and unemployment in OECD countries. *European Economic Review*, 21(1), 11-39.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Hibbs, Douglas A. (1977). Political parties and macroeconomic policy. *American Political Science Review*, 71, 1467-1487.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Hibbs, Douglas A. (1987). *The political economy of industrial democracies*. Cambridge, MA: Harvard University Press.

[Crossref](#)

[Google Scholar](#)

Huber, Evelyn, Ragin, Charles, & Stephens, John D. (1997). Comparative welfare states data set. Evanston, IL, and Chapel Hill: Northwestern University and University of North Carolina.

[Google Scholar](#)

Jordan, Thomas J. (1997). Disinflation costs, accelerating gains, and central bank independence. *Weltwirtschaftliches Archiv*, 133(1), 1-21.

[Crossref](#)

[Google Scholar](#)

Lewis-Beck, M. (1988). Economics and elections: The major Western democracies. Ann Arbor: University Michigan Press.

[Google Scholar](#)

Nordhaus, William D. (1975). The political business cycle. *Review of Economic Studies*, 42, 169-190.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Oatley, Thomas H. (1997). Monetary politics: Exchange rate cooperation in the European Union. Ann Arbor: University of Michigan Press.

[Google Scholar](#)

Oatley, Thomas H. (1999). Central bank independence and inflation: Corporatism, partisanship, and alternative indices of central bank independence. *Public Choice*, 98, 399-413.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Posen, Adam. (1995, May). Central bank independence and disinflationary credibility: A missing link? (Staff Reports, No. 1). New York: Federal Reserve Bank of New York.

[Crossref](#)

[Google Scholar](#)

Rogoff, Kenneth. (1985). The optimal degree of commitment to an intermediate monetary target. *Quarterly Journal of Economics*, 100(4), 1169-1189.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Sargent, Thomas. (1983). Stopping moderate inflations: The methods of Poincare and Thatcher. In R. Dornbusch & M. H. Simonsen (Eds.), *Inflation, debt, and indexation* (pp. 54-96). Cambridge, MA: MIT Press.

[Google Scholar](#)

Staiger, Douglas, Stock, James H., & Watson, Mark W. (1997). How precise are estimates of the natural rate of unemployment? In C. Romer & D. Romer (Eds.), *Reducing inflation: Motivation and strategy* (pp. 195-246). Chicago: University of Chicago Press.

[Google Scholar](#)

Taylor, John B. (1983). Union wage settlements during a disinflation. *American Economic Review*, 73, 981-993.

[Web of Science](#)

[Google Scholar](#)

Similar articles:



Restricted access

[Heterogeneity Effect of Central Bank Independence on Inflation in Developing Countries](#)

Show Details ▾



Restricted access

[Central Bank Independence, Inflation, and Poverty in Africa](#)

Show Details ▾



Open Access

[Central Banking in Rawls's Property-Owning Democracy](#)

Show Details ▾

[View More](#)

Sage recommends:

SAGE Knowledge

Entry

[Central Bank](#)

Show Details ▾

SAGE Knowledge

Book chapter

[Monetary Policy and Neoliberalism](#)

Show Details ▼

SAGE Knowledge

Book chapter

[On the Importance of Independent Regulatory Institutions: The Case of the Central Bank*](#)

Show Details ▼

[View More](#)

You currently have no access to this content. Visit the [access options](#) page to authenticate.

[Download PDF](#)

Also from Sage

[CQ Library](#)

Elevating debate

[Sage Data](#)

Uncovering insight

[Sage Business Cases](#)

Shaping futures

[Sage Campus](#)

Unleashing potential

[Sage Knowledge](#)

Multimedia learning resources

[Sage Research Methods](#)

Supercharging research

[Sage Video](#)

Streaming knowledge

[Technology from Sage](#)

Library digital services

